

Allies Firm on Union of Debts And Reparation

Clash With U. S. Insistence on Separate Consideration Chief Obstacle Facing European Adjustment

No Link. America Feels

German Ability to Pay Only Issue Before Premiers, Washington Contents

By Carter Field

WASHINGTON, Dec. 18.—Insistence by France and Great Britain that the inter-allied debts, and particularly the debts to the United States, must be taken up in connection with the reparations problem constitutes the chief obstacle to any real solution, it was stated in a high quarter here today.

Practically all of the foreign comment on the new move being planned by President Harding and his advisers—for an adjustment of the reparations by experts and a five or six power pact based on the four-power Pacific treaty—is based on one point. This point is that the debts are an essential part of the whole situation, and no proposal can possibly get anywhere unless this country changes its policy with regard to these debts.

On the question of a loan to Germany in advance of a settlement of the reparations questions, the comment from abroad is absurd, according to officials here, inasmuch as there has been absolutely no thought of a loan to any country in advance of the reparations settlement.

As to the insistence by France and Great Britain that debts must be con-

sidered as a part of the reparations problem, President Harding and his advisers are patiently waiting for the clamor to subside. They have pointed out again and again in conversations which ought to have reached the governments in Paris and London, that from the point of view of the United States there is absolutely no connection between debts owing to this country by the Allies and the reparations.

As this government views the situation, the reparations question simmers down to one simple interrogation: "How much can Germany pay?" Perhaps this should be modified to read: "How much can Germany be compelled to pay?"

The belief of this government is that Germany should be compelled to pay just as much as the Allied governments can extract from her on the basis of the official by Secretary Hughes that the German government should be compelled to pay to the limit of Germany's ability to do so.

The amount, however, is something which, in the opinion of President Harding and his advisers, should be determined by experts, and after being so determined should be regarded as a settled question.

Setting Sam First Task

The plan which this government is formulating looks to the accomplishment of that purpose. With that agreed upon the rest of the trouble-making Europe could be adjusted after the example set in the four-power Pacific pact.

To the British and French claims that debts to the United States must be considered in connection with this problem, the answer of the United States is very firm and in the view of officials here, very obvious. It is: "What bearing has any debt of Britain or France to the United States on the question of how much money can be obtained from Germany?"

It is not a question of how to balance the budgets of France or of Britain. This government has no interest in the question of how much a creditor, in that operation. But it insists that the mere fact that France and Britain both owe money to the United States has nothing whatever to do with a calculation as to how much money can be extracted from Germany.

No Real Loss to France

The contention of the French that if the amount of reparations they are to receive from Germany is to be cut down, certainly their debt to the United States is the real stumbling block. The American government's answer is that in asking that the amount of reparations be fixed this government is not asking the French to forego a penny, but to make a real loss, but a mere paper loss, if the French were counting on getting twice as much in reparations as there is any possibility of their really getting.

Another development of the day was the very strong insistence of leaders in the Senate that in planning for the relief of the European situation this government should not make any political commitment whatever. Sentiment in Capitol Hill is very strong against any cancellation of the debts of Europe to this country, which situation is well understood by the President and State Department.

British Less Optimistic

Over Hope of U. S. Loan

Tentative Nature of American Plans Chills Enthusiasm; Exchange Continues to Rise

By Arthur S. Draper

LONDON, Dec. 18.—Dispatches from Washington to-day setting forth the purely tentative nature of the American government's consideration of an entry into European financial and industrial affairs have acted like a cold douche upon those who had become excited or overenthusiastic over the earlier, more flamboyant reports of American intervention. However, there is no tendency here to go to the other extreme and bar out any possibility of a change in the long-maintained policy of the Harding Administration.

The latter fact is illustrated by the continuing improvement in exchanges, which began when the rumors of a great loan from the United States were first put in circulation here.

In British official quarters there is no disillusionment. From the outset men in responsible positions have been refused to accept the rumors of an American loan as anything more than rumors.

There is reason to believe that Premier Poincaré of France has receded considerably since a week ago, when he stood out for the Ruhr seizure. It is possible that the reassembling of the Premiers at the Paris conference on January 2, will find the Allies in agreement on this the most vital of all European questions.

It is held here that eventually all one problem. The British authorities agree with Senator Borah that no real progress can be made until each country puts its affairs in order, or at least shows a determination to do so.

Commodore Forshev Given Medal for Service in War

Commodore Robert P. Forshev, commander of the New York State Militia, received the Distinguished Service Medal last night at the armory of the 24th Battalion of the Naval Militia, Brooklyn.

The decoration was given to him by Brigadier General J. Leslie Kinkaid, Adjutant General of the state. It is in recognition of his services during the war in establishing a naval training station at Pelham Bay Park and a training ship at Bay Ridge.

The new Tobacco Shop and Humidor of the Ritz-Carlton Hotel

374 Madison Avenue (entrances from street and hotel lobby)

NOW OPEN

Complete assortment of the finest imported cigars, tobaccos, cigarettes and smokers' requirements and novelties.

Christmas orders solicited.

THE CARLTONIA, our domestic cigar for discriminating men seeking a delicious smoke of lighter quality than the imported brands, is proving the most popular cigar in America. We carry it in various sizes.

YORKE SHIRT SHOP 1515 Broadway, New York City

YORKE SHIRTS of Silkendure SILK SHIRTINGS Special Holiday Assortment Featuring well-tailored shirts of this durable and handsome silk. An exceptional opportunity to replenish your stock. Ideal for Christmas gifts.

Soviet Regime Near Break-Up, Thompson Says

Despite Denial, Ex-Financial Adviser of Russo-American Group Thought U. S. Investors' Money Lost

Words in Berlin Recalled

Repudiation of Interview, After Reading and Approving, Refuted in Berlin

By Joseph Shaplen

Special Cable to The Tribune Copyright, 1922, New York Tribune Inc. BERLIN, Dec. 18.—The Soviet regime is so reeking with corruption that "money invested by foreigners in Soviet Russia is likely to be stolen by the Bolsheviks," is the belief William O. Thompson expressed to me here in the presence of another American correspondent when Thompson recently announced his resignation as financial adviser of the Russo-American Industrial Corporation.

American investors in Russia run a good chance of losing their money for this reason alone, Thompson indicated. Moreover, he added, the Soviet government is not likely to last very much longer, as no regime so corrupt and inefficient could be permanent.

Thompson said while that is his belief, he would not want to be quoted to that effect, and confined himself to saying that money invested in Russia would be wasted by inefficiency and a thousand other difficulties.

Thompson Violates Own Confidence

My colleague and I respected Thompson's wish, and made no use of his stronger references. I now consider myself no longer bound to respect his confidence, in view of the statement he made and the fact that he had broken the latter read at a public meeting at Carnegie Hall on December 1, in which Thompson accused the correspondents, The Tribune included, of misrepresenting him, and saying that the "bitterness" of The Tribune was wholly a product of the reporter's imagination.

Thompson's statement was received here yesterday.

His belief in the insecurity of money invested in Russia is not apparently discredited by Hillman himself, who several days prior to the Thompson interview told me he did not intend to permit the Communists to handle his money transfers from America in subsequent conversations with other American correspondents here, who are ready to confirm this statement. So much for his charge of being misrepres-

ented by the "hostile press."

Thompson Sought Correspondents

It also may be added the American correspondents here did not seek Thompson, but came to him in response to his own invitation, which he issued to the "hostile press" in order to announce his resignation as financial adviser and give his reasons therefor. So far as the "bitterness" of The Tribune interview being "wholly a product of the reporter's imagination," Thompson came to my office Saturday, November 25, requesting to see a carbon copy of my story. He read it in the presence of my secretary and fully approved it.

"That story is all right," he said, smiling and satisfied. As evidence of his satisfaction he accepted my invitation to dinner the next day, with the promise to repeat his story to a certain work-famous German Socialist, whose acquaintance Hillman himself previously made here through me.

Thompson's attempt to misrepresent The Tribune and other American correspondents in Berlin was to-day condemned by them as inexcusable. His effort to cast discredit upon them is due not to their alleged misrepresentation of his views but to the factional politics of those New York trade union and circles directly involved in this clothing enterprise, where sharp divisions exist on the feasibility and advisability of Hillman's undertaking.

In publication of The Tribune interview, Thompson was given to understand, Thompson was given to under-

stand in cables from New York he had committed a grave tactical and political mistake in thus sharply formulating his opinions. These cables were responsible for his failure to keep the aforementioned dinner engagement.

He received two such cables, one from the Amalgamated Clothing Workers of America and the other from his wife. In reply to the Amalgamated he confirmed his resignation, saying he would resign in Moscow that he would resign. In reply to his wife he said the Tribune interview was "horrid," but the facts were "substantially true."

On pressure from New York Thompson apparently realized he had talked too much and too soon, and now is endeavoring to undo the damage of his interviews by charging misrepresentation and publishing derogatory statements about the correspondents who, in accepting his invitation to tell you upon him, accepted who correctly and conscientiously recorded his statements.

The American correspondents concerned repudiate his charge as unfair, undignified and untruthful.

Thompson Sent Radio Denying His Interview

Alibi to Clothing Workers Here Said "Faith and Hope" May Not Financial Success

The repudiation of the interview given by William O. Thompson to Joseph Shaplen, Berlin correspondent of The Tribune, and published by The Tribune on December 1, was contained in a radiogram to Sidney Hillman, head of the Amalgamated Clothing Workers of America. As read by Mr. Hillman at a mass meeting on December 2 in this city, the message said:

"I learned with regret that certain statements of mine have been so misrepresented by a hostile press as to convey an impression of my bitter opposition to the work of reconstruction in Russia undertaken by the Russo-American Industrial Corporation. I am anxious to let you know that this is not the case, and I am utilizing the occasion of your mass meeting and reception to Mr. Hillman to express my sincere interest in your venture and all the confidence in your constructive purposes."

"My experience in Russia has brought me the conviction that reconstruction in Russia is not merely a business proposition because it is closely connected with the trying out of an economic theory for the benefit of all mankind."

"Such humanitarian experiment, however, must leave the business man to one side, and since I was asked to act as financial adviser to consider the matter from the business standpoint only I could not endorse Hillman's venture and stepped out. But I realize the full well that in such economic experiments the faith and hope of a people are a large factor in success, and I believe that your venture may be well worth while for the investment of those who believe in such human experiments, though I do not share in this belief."

"Permit me to assure you that the bitterness of The Tribune interview is wholly a product of the reporter's imagination, and that I am heartily with you in your welcoming Hillman and extend to you my best wishes."

Thompson's statement was received here yesterday.

His belief in the insecurity of money invested in Russia is not apparently discredited by Hillman himself, who several days prior to the Thompson interview told me he did not intend to permit the Communists to handle his money transfers from America in subsequent conversations with other American correspondents here, who are ready to confirm this statement. So much for his charge of being misrepres-

ented by the "hostile press."

Thompson Sought Correspondents

It also may be added the American correspondents here did not seek Thompson, but came to him in response to his own invitation, which he issued to the "hostile press" in order to announce his resignation as financial adviser and give his reasons therefor. So far as the "bitterness" of The Tribune interview being "wholly a product of the reporter's imagination," Thompson came to my office Saturday, November 25, requesting to see a carbon copy of my story. He read it in the presence of my secretary and fully approved it.

"That story is all right," he said, smiling and satisfied. As evidence of his satisfaction he accepted my invitation to dinner the next day, with the promise to repeat his story to a certain work-famous German Socialist, whose acquaintance Hillman himself previously made here through me.

Thompson's attempt to misrepresent The Tribune and other American correspondents in Berlin was to-day condemned by them as inexcusable. His effort to cast discredit upon them is due not to their alleged misrepresentation of his views but to the factional politics of those New York trade union and circles directly involved in this clothing enterprise, where sharp divisions exist on the feasibility and advisability of Hillman's undertaking.

In publication of The Tribune interview, Thompson was given to understand, Thompson was given to under-

stand in cables from New York he had committed a grave tactical and political mistake in thus sharply formulating his opinions. These cables were responsible for his failure to keep the aforementioned dinner engagement.

He received two such cables, one from the Amalgamated Clothing Workers of America and the other from his wife. In reply to the Amalgamated he confirmed his resignation, saying he would resign in Moscow that he would resign. In reply to his wife he said the Tribune interview was "horrid," but the facts were "substantially true."

On pressure from New York Thompson apparently realized he had talked too much and too soon, and now is endeavoring to undo the damage of his interviews by charging misrepresentation and publishing derogatory statements about the correspondents who, in accepting his invitation to tell you upon him, accepted who correctly and conscientiously recorded his statements.

The American correspondents concerned repudiate his charge as unfair, undignified and untruthful.

Thompson Sent Radio Denying His Interview

Alibi to Clothing Workers Here Said "Faith and Hope" May Not Financial Success

The repudiation of the interview given by William O. Thompson to Joseph Shaplen, Berlin correspondent of The Tribune, and published by The Tribune on December 1, was contained in a radiogram to Sidney Hillman, head of the Amalgamated Clothing Workers of America. As read by Mr. Hillman at a mass meeting on December 2 in this city, the message said:

"I learned with regret that certain statements of mine have been so misrepresented by a hostile press as to convey an impression of my bitter opposition to the work of reconstruction in Russia undertaken by the Russo-American Industrial Corporation. I am anxious to let you know that this is not the case, and I am utilizing the occasion of your mass meeting and reception to Mr. Hillman to express my sincere interest in your venture and all the confidence in your constructive purposes."

"My experience in Russia has brought me the conviction that reconstruction in Russia is not merely a business proposition because it is closely connected with the trying out of an economic theory for the benefit of all mankind."

"Such humanitarian experiment, however, must leave the business man to one side, and since I was asked to act as financial adviser to consider the matter from the business standpoint only I could not endorse Hillman's venture and stepped out. But I realize the full well that in such economic experiments the faith and hope of a people are a large factor in success, and I believe that your venture may be well worth while for the investment of those who believe in such human experiments, though I do not share in this belief."

"Permit me to assure you that the bitterness of The Tribune interview is wholly a product of the reporter's imagination, and that I am heartily with you in your welcoming Hillman and extend to you my best wishes."

Thompson's statement was received here yesterday.

His belief in the insecurity of money invested in Russia is not apparently discredited by Hillman himself, who several days prior to the Thompson interview told me he did not intend to permit the Communists to handle his money transfers from America in subsequent conversations with other American correspondents here, who are ready to confirm this statement. So much for his charge of being misrepres-

ented by the "hostile press."

Thompson Sought Correspondents

It also may be added the American correspondents here did not seek Thompson, but came to him in response to his own invitation, which he issued to the "hostile press" in order to announce his resignation as financial adviser and give his reasons therefor. So far as the "bitterness" of The Tribune interview being "wholly a product of the reporter's imagination," Thompson came to my office Saturday, November 25, requesting to see a carbon copy of my story. He read it in the presence of my secretary and fully approved it.

"That story is all right," he said, smiling and satisfied. As evidence of his satisfaction he accepted my invitation to dinner the next day, with the promise to repeat his story to a certain work-famous German Socialist, whose acquaintance Hillman himself previously made here through me.

Thompson's attempt to misrepresent The Tribune and other American correspondents in Berlin was to-day condemned by them as inexcusable. His effort to cast discredit upon them is due not to their alleged misrepresentation of his views but to the factional politics of those New York trade union and circles directly involved in this clothing enterprise, where sharp divisions exist on the feasibility and advisability of Hillman's undertaking.

In publication of The Tribune interview, Thompson was given to understand, Thompson was given to under-

France to Build Greater Navy to Meet Germany

Teutons Training Officers Secretly and With Russian Aid Can Exceed Treaty Limits, Marine Chief Says

Soviets Called Menace

Raiberti Declares French Must Have Warships to Guard 1,500-Mile Coast

By Cable to The Tribune

Copyright, 1922, New York Tribune Inc. PARIS, Dec. 18.—The shadow of re-awakening German naval power, which, with the aid of Russia, would easily be enabled to exceed the limits set by the Treaty of Versailles, compels France to adopt a new program of naval building for the protection of her coast, Minister of Marine Raiberti announced to the Chamber of Deputies to-day.

The naval chief dropped a hint that the government believed the Washington treaties will be ratified by France, when he said that the new program will conform to the agreements reached there.

Replies to Socialists

Replying to the Socialist query of last week, "Against whom must France protect her coasts?" Raiberti said to-day:

"Against Germany, whom the Treaty of Versailles left a menacing number of cruisers, destroyers, torpedo boats, naval equipment and sailors. Fifteen thousand German sailors are undergoing intensive instruction. With a certain number of officers these form the framework for a navy of the pre-war German caliber, without mentioning those who are secretly preparing for a naval career at the scientific schools. Nothing prevents Germany either from constructing big additional units in Russia, and perhaps utilizing the Soviet navy, which is beginning to grow."

Raiberti said that the French navy had been reduced by 100,000 tons since 1914 and who had considerably deteriorated, because within the last eight years all the naval powers except France had reconstructed their fleets.

For 1923, he said, there remain in the French fleet only three capital ships, three cruisers which were obsolete two years ago, and twelve torpedo boats and submarines under the new program.

Must Protect Nation

"The French navy is dying," he said, "and this should be known abroad." This declaration was applauded.

"But," he continued, "France has 1,500 miles of coast to defend and she must assure a liaison with her colonies and even guarantee the existence of the nation, and so she must build. The government will therefore present a program within the limitations of the Washington treaties if Parliament ratifies them."

Raiberti declared that the naval aircraft of France were also in bad shape and must be revived in order to give proper protection to the French coasts.

However, he announced that the navy budget would be \$5,000,000 francs lower than that of 1922.

Danish Vessel, Aground, To Be Floated Soon

Lithuania, of Baltic Line, in No Danger, Advice Received Here Announced

The Lithuania, of the Baltic-American Line, which went aground off the island of Bornholm, in the Baltic Sea, on Sunday, according to advices received at the offices of the line here yesterday, is in no danger and is expected to be floated in a few hours and proceed to Danzig and Lubeck.

The Lithuania left here on December 6 with 150 passengers, and discharged a portion of her cargo and passengers in Copenhagen Sunday. Officials of the line said they believed the liner would reach Hamburg early to-day. The cause of the grounding was not explained in the cables. She is a vessel of 12,000 tons displacement.

Christians Can Stay in Turkey, Angora Decides

Time Limit for Departures Dropped; Promised Same Rights and Protection as Given to Ottomans

Soviets Make New Offer

Lausanne Parley Asked to Grant Them Place on Board Ruling Straits

ANGORA, Dec. 18.—The Kemalist government has decided to lift the embargo on the departure of Christians from Anatolia, which became effective after the expiration of the time limit. Christians are now free to leave when they desire.

The action of the government was due to pressure brought by the Allies at Lausanne, who convinced Ismet Pasha the embargo had caused a bad impression against the Turks throughout the world.

Turks to Guard Minorities

LAUSANNE, Dec. 18 (By The Associated Press).—Turkey formally engaged to-day before the Near East conference to accord to all Christians in all that concerns their life, liberty, the same rights and the same protection as are enjoyed by the Turkish population, with the free exercise of their religion and the right to establish educational, charitable and religious institutions.

The Turkish agreement provides that in districts heavily non-Muslim the schools of the Christian minorities shall be allotted funds from the staff or municipal budgets.

It is stipulated that as the members of all the minorities are regarded as Turkish subjects, there can be no exemption from military service.

Reds Offer New Straits Plan

Russia again asserted itself prominently at the proceedings to-day. "Organized impotence" was the definition which M. Tchitcherine, the Russian Foreign Minister, gave the League of Nations during a heated debate with Lord Curzon this afternoon, in a session devoted to the discussion of plans for control of the Turkish Straits.

"The United States, Germany and Russia do not recognize the league," said Tchitcherine. "The league is not even able to control a single Polish general in Vilna. It is unable to accomplish anything in the Lithuanian dispute. What good are the guarantees of such an organization?"

Tchitcherine said the Allied proposals for the regulation of the Straits were directed against Russia, and put a premium on navalism and militarism.

Tchitcherine Sees Allied Plots

"These proposals," he added, "are designed to separate Turkey and Russia. It is an Allied scheme which offers fallacious protection to Turkey, but grants passage of the Straits to warships, which would expose Russia's south coast to attack. The project forces Russia to arm and the guarantees are completely illusory for Turkey."

Both M. Tchitcherine and Ismet Pasha offered new suggestions concerning control of the Straits. Ismet was mild and accepted in principle most of the proposals made by the Allied powers, but Tchitcherine was extremely hostile and demanded that the Russian proposals be considered at length in the sub-commission along with the new Turkish proposals.

Lord Curzon denied this request, saying it was impossible to continue the deliberations indefinitely. He asserted that concessions had been made to the Russians by providing in the Allied proposals that no fleet shall be admitted to the Black Sea which is stronger than the strongest navy possessed by any Black Sea power.

American Delegation Present

Curzon called attention to Russia and Turkey being far apart in their positions, and especially emphasized that it was Tchitcherine, not Ismet, who said the guarantees of the League of Nations would be "illusory."

The members of the American delegation, Ambassador Child, Rear Admiral Bristol and Minister Grew, all attended the session, but made no re-

marks. They have expressed no opinion about the Allied proposals.

Lord Curzon refused to consider Tchitcherine's motion for the reference of the Straits question to the sub-commission for reconsideration, and this subject will be taken up again at 11 o'clock to-morrow morning. It is apparent that the Allies are determined not to permit the Russians to delay the decision further by advocacy of closing the Black Sea, which is absolutely opposed to the view of the Allies and the United States and even Turkey.

The essential difference between the Turkish and Allied plans for control of the Straits concerns the question of the ratio between foreign fleets and those of the Black Sea countries. The Allies desire that each power have the right to send through the Straits as many ships as the greatest Black Sea power, or, in any event, three warships.

The Turks, as a sop to Russia, propose that the total strength of foreign fleets shall not exceed the strength of the most powerful fleet in the Black Sea. Under this restriction the Turks intended the Allied plan for the right of each foreign nation to send three light warships through, provided they do not stop in the Straits or at Constantinople in wartime.

When Turkey is neutral belligerent vessels cannot search, make captures or engage in battle in the Straits or within a zone twenty miles from the entrance. When Turkey is a belligerent neutral warships pass under the customary conditions.

To-night experts are poring over the projects, trying to harmonize them.

Europe Picks Up 125 Radios

Amateur Stations on Coast Here Heard Across Ocean

HARTFORD, Conn., Dec. 18.—Approximately 125 individual amateur radio stations have been heard by European amateurs during trans-Atlantic tests of the American Radio Relay League, which began six days ago, it was announced at league headquarters here to-day.

The majority of the stations are located in New York, New Jersey, Connecticut, Massachusetts and Maine.

Silesian Frontier Issue Ends

LONDON, Dec. 18.—A formal settlement has been reached regarding the German-Polish Silesian frontier, under which much of the disputed Rottberg district, the town of Bombardier and other districts became German while Poland gets some territory near

Koenigsuetta and elsewhere, says a dispatch to "The London Times" from Oppeln.

White Rock

The Leading Mineral Water

White Rock Ginger Ale

Executive Offices 100 Broadway, N.Y.

STAIR ANDREW

OF 50th STREET LONDON

Old English Furniture

Old English Silver Etc.

45 EAST 57th STREET NEW YORK

BOOKS FOR CHRISTMAS

There is no Message of Love, Affection, Good-Will or Friendship that cannot be conveyed in a Book.

BRENTANO'S

Booksellers to the World

Fifth Avenue and 27th St.

"Spontaneous Locomotion"

A radio message travels 1300 miles a minute, but Christmas Day comes even before you expect it. Make haste, therefore, and come early, for the night cometh when no man can work.

Pen and pencil set in dainty midget size. Ideal as an answer to the "what to give" question. Sterling silver, \$8.50. 14-kt. gold, \$21.00.

5% tax additional.

Life is short and time is fleeting. The list is long. The variety is wide—The Mark Cross Hall-mark on a gift is intrinsic value, added to value that is already valid.

A gentleman's pocket card case with two attractive 14-kt. gold corners. Of black pin, cobra and fine grain seal. Silk lining; size 6 1/2 x 4 inches